

**WANTS \$1,000,000**

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**THURLOW WEED BARNES IS SUING  
FOR A FORTUNE.**

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**SECURED VALUABLE GRANTS**

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**NEGOTIATED CONCESSION FOR A  
RAILROAD IN CHINA.**

**A Score of America's Most Prominent Capitalists Members of the Defendant Syndicate, Which Stands**

**to Make at Least \$12-  
000,000 Profit.**

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**NEW YORK, Dec. 3.**—Thurlow Weed Barnes has brought suit in the supreme court against the American-China Development Company for \$1,000,000 for services in obtaining railroad concessions from the imperial Chinese government through the

Chinese minister at Washington. The concessions are worth, in net profit, at least \$12,000,000 to the company, and they most likely will be worth \$21,000,000. They are the most valuable grants ever made by the Chinese government to foreign capitalists, and the terms are more favorable than the concessions obtained in recent years by French, Belgian, English and Russian syndicates.

The chief spirit of the American-China Development Company is Calvin S. Brice. His associates are James H. Benedict, bank

er: Anthony N. Brady, the Carnegie Steel and Iron Company (Andrew Carnegie), J. H. Jarvie, of the Arbuckle Sugar and Coffee corporation; Frederick P. Olcott, president of the Central Trust Company; William A. Reed, of Hermill & Co.; General Samuel Thomas, railroad owner; Senator Henry K. Wolcott, of Colorado; Richard J. Cross, of Morton, Bliss & Co.; Levi P. Morton, Thomas C. Platt, Henry W. Cannon, of the Chase National bank; Thomas

F. Ryan, street railway owner; James R. Stillman, of the Standard Oil Company, representing the Rockefellers; Moore Shipley, bankers; John R. Hegeman, of the Metropolitan Life Insurance Company; Clarence Carey, as trustee of H. McK. Twombly, and various Vanderbilt interests; Hartley & Graham, arms manufacturers; James P. McDonald, railroad contractor; James McNaught, counsel for the Northern Pacific railroad; George R. Shel-

All of these are defendants in the suit, as they are copartners in the syndicate which controls the concessions.

Barnes alleges that after Brice's envoys, including ex-Senator William D. Washburn, of Minnesota, had failed to obtain the concessions sought, Brice sent for Barnes and asked him to undertake the work.

Barnes has spent many years in the Orient, and had made several friends among the natives in high power, and moreover, was a friend of Wu Ting Fang, the Chinese minister at Washington.

Mr. Barnes agreed to do the work, it is said, on the verbal understanding that he would be fully compensated for any valuable results he might accomplish. He and Clarence Cary were appointed as a committee to obtain the concessions. Mr. Barnes being known as the managing mem-

her of the committee. Associated with her was A. W. Smith. The secretary in January of the present year, Mr. Barnes first arranged through his friends in Peking by cable to have the Chinese cabinet confer upon Wu Ting Fang the special power to make any railroad concessions he might agree to with the American side and this was successful in this regard the negotiations with Wu Ting Fang direct were begun.

In April an agreement was reached. During these months an immense amount of correspondence passed between Mr. Barnes

The draft of the agreement reached by Barnes and the Chinese minister was drawn up by Barnes and was accepted by both sides without a change, ex-Secretary of State John W. Foster acting in an advisory capacity to the Chinese minister. This agreement was reached April 13 and

Subsequently it was ratified by an imperial edict by the Chinese government. The concessions obtained by the company provide for the building of a trunk line railroad from Hankow south to Canton, a distance of about 1,900 miles. It will run through the richest and most fertile region of China.

The population of that section of China is 200,000,000. From Hankow north to Peking runs a proposed railroad, the concession for which was obtained by a Belgian syndicate. From Peking northwest runs another line, the concession for which

will connect with the great trans-Siberian railroad built by Russia. Thus the road permitted by the American concession will have through connections with the Russian trans-Siberian road. The most valuable part of the performance obtained by the Americans is the financial term. These have never been published. The road, it is estimated, will cost \$40,000,000. Bonds for 10 per cent more than the total cost are to be guaranteed by the Imperial Russian Government. The 10 per cent additional, or \$4,000,000, is a clear profit to begin with. The bonds are to be

paid in gold, to run fifty years, and to bear 6 per cent interest. The Chinese government also agreed to pay the Americans a sum of \$250,000 per year on the total cost of the road for surmounting the construction. In addition, the Chinese government agreed to pay 20 per cent of the net profits of the road, in the form of debenture bonds, bearing 6 per cent interest and running forty-three years. After paying the interest, the Chinese government had the redemption of the bonds, the road was to become the property of the Chinese government. The Chinese government has

By the concession, the American company also obtained the right to mine the rich coal fields which extend along parts of the route of the road.

An even more valuable feature of the concession is that, in the event of the contract with the Belgian syndicate being cancelled, the concession to build that road will revert to the American China Development Company, on the same conditions

The members of the American China Development Company got together and formed what they called the Chinese railway

syndicate. The Oklahoma subscribers to the project fund held 1,000 shares. They were admitted to the railway syndicate by paying \$4,000 more on each share held. The shares of the latter company costing \$5,000, Mr. Barnes, it is said, had an understanding that his 1,000 shares were to be exchanged into the \$5,000 shares of the railroad company without paying any additional cash. In all about \$30,000 was subscribed to the syndicate. Mr. Barnes saw Mr. Brice sev-